Missing cash from Corporation Bank

706. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a huge amount of cash went missing under mysterious circumstances from premises of Karol Bagh Branch of Corporation Bank in the first week of September, 2003;

(b) if so, the result of enquiry held in this regard;

(c) whether it is a fact that many cases of fraud in banks in which employees of the banks were involved have come to notice during last one year; and

(d) if so, the number of such cases in Delhi and the number of bank employees found guilty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Corporation Bank has reported that a cash box containing Rs. 20 lakh was found missing on 2.9.2003 when a remittance to Mahipalpur Branch of their bank was being arranged. The bank has lodged a complaint with Karol Bagh Police Station the same day. The bank has also initiated a departmental enquiry in the matter.

(c) and (d) The public sector banks have reported to Reserve Bank of India (RBI) the involvement of their employees in some cases of frauds. The present system of information on frauds does not permit RBI to collate such information city-wise. However, during the year 2002 Public Sector Banks have convicted 119 employees, awarded major/minor penalties to 1491 employees out of which 424 employees were dismissed/ discharged/removed, for their involvement in fraud cases.

Interest rates on agricultural credit

707. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have advised banks to reduce interest rates on agricultural credit and to ensure that farmers are able to borrow funds at single digit interest rates;

(b) if so, the details thereof and the reaction from banking sector;

(c) whether it is also a fact that many public sector banks failed to comply with RBI guidelines prescribing 18 per cent credit to agricultural sector;

(d) if so, the details in this regard; and

(e) the steps being taken to ensure that the banks honour the guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) With a view to enable the farmers to derive the full benefit of declining interest rate regime, all public sector banks announced reduction in lending rate for crop loan up to Rs. 50,000/- to a single digit rate of not more than 9 per cent per annum. This single digit rate is expected to benefit most of the crop loan account holders and cover almost all small and marginal farmers.

(c) and (d) Lending to agriculture sector by public sector banks constituted 15.3 per cent of their Net Bank Credit (NBC) as on the last Friday of March, 2003 against the stipulated target of 18 per cent. In all, about 22 banks failed to achieve this target.

(e) The domestic scheduled commerical banks having shortfall in lending to priority sector/agricultural lending target are required to deposit the amount indicated to them in the Rural Infrastructure Development Fund (RIDF) established with National Bank for Agriculture and Rural Development (NABARD). As a measure of disincentive for non-achievement of agricultural lending target, the rate of interest on RIDF deposits has been lowered and is charged in inverse proportion to the extent of shortfall in the agricultural lending *vis-a-vis* the target. Besides, commercial banks have been advised to step up their direct lending to agriculture so as to achieve the target of 18 per cent of Net Bank Credit; public sector banks have been advised to prepare Special Agriculture Credit Plans (SACP) for increasing credit flow to agriculture; banks have also been advised to fulfil coverage of all eligible farmers by March 31, 2004 under the Kisan Credit Card Scheme, etc.

Money laundering at Alang ship-breaking yard

708. SHRI K. B. KRISHNA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether the Directorate of Revenue intelligence is aware of large scale money laundering at Alang ship-breaking yard through under invoicing and other manipulations;

(b) if so, the extent of such operations recently unearthed by DRI officials; and